

# Course syllabus

## 1. Core data

Course code	Credits	Semester
PSBV103NAMB	3	default
Course title in Hungarian		
Financial Economics		
Course title in English		
Financial Economics		
Course title in other language		
Course leader	Institute	
Csóka Péter	Institute of Finance	
Language of instruction	Type of final assessment	
English	Exam	
Number of theoretical classes per week (full-time programmes)	Number of practical classes per week (full-time programmes)	
4	0	
Number of theoretical classes per semester (part-time programmes)	Number of practical classes per semester (part-time programmes)	
0	0	
Available for preferential study schedule		
No		

## 2. Main features

Course objectives
The aim of the course is to discuss and understand the intuition behind the basic models in financial economics. Both classical and behavioral models are covered in an integrated view. This way, as the book says, we will never stay in a purely theoretical world, but we will also look at the real one, supported by case studies on market phenomena.
Brief description of the course
topics Decision Theory (expected utility, mean-variance, prospect theory) Two-period Model: Mean-Variance Approach( CAPM, Heterogenous Beliefs and the alpha, alternative betas, behavioral CAPM) Two-period model: state-preference approach (Complete and incomplete markets, no-arbitrage condition, CAPM, APT and behavioral CAPM) Multiple-periods Model (Term structure of interest, Ponzi schemes and bubbles, momentum) Information Asymmetries on Financial Markets
Relationship with other courses of the programme
Builds on the course Investments.

## 3. Learning outcomes

Skill	Knowledge	Attitude	Autonomy and Responsibility
Applying decision theory to portfolio theory		Open to new modeling approaches.	Independently applying existing models to case studies.
basic understanding of finance models			

## 4. Mandatory readings

Required literature	URL
Hens, T., & Rieger, M. O. (2016). Financial economics. Springer. Chapters 1-5, 7.	<a href="https://www.uni-trier.de/index.php?id=34913&amp;L=2">https://www.uni-trier.de/index.php?id=34913&amp;L=2</a>

